

## Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 L-03 DOTE-00 TRSE-00 CIAE-00 COME-00

EB-07 INR-07 LAB-04 NSAE-00 SIL-01 H-02 PRS-01 /036 R

DRAFTED BY NEA/ARP:FMDICKMAN:CEJ

APPROVED BY NEA:SSOBE

L/NEA - MR. ROWHER

DOT/FWHA - MR. LINDBERG (SUBS)

TREASURY - MR. BOWDEN (SUBS)

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P 220047Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA PRIORITY

C O N F I D E N T I A L STATE 276897

E.O. 11652: GDS

TAGS: BGEN, SA, US

SUBJECT: SAUDI EMPLOYMENT OF CALIFORNIA STATE HIGHWAY  
PERSONNEL

REF: STATE 266063

1. DEPT HAS BEEN ASKED BY OFFICE OF GOVERNOR BROWN OF CALIFORNIA FOR ASSISTANCE IN CONNECTION WITH A PROPOSAL TO SEND CALIFORNIA STATE HIGHWAY ENGINEERS TO WORK IN SAUDI ARABIA WITH THE SAUDI MINISTRY OF COMMUNICATIONS AND TRAIN SAUDI HIGHWAY PERSONNEL IN CALIFORNIA. PROPOSAL HAS RECENTLY RECEIVED WIDE PUBLIC ATTENTION AND HAS BEEN ATTACKED BY ANTI-DEFAMATION LEAGUE BECAUSE OF SAG'S VISA/EMPLOYMENT PRACTICES.

2. PROPOSAL FOR USE OF CALIFORNIA STATE HIGHWAY PERSONNEL IS OUTGROWTH OF A VISIT TO US LAST JUNE BY ASSISTANT DEPUTY MINISTER FOR TECHNICAL AFFAIRS OF SAUDI MINISTRY OF COMMUNICATIONS, DR. NASSER AL-SALLOUM, TO  
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VARIOUS AMERICAN ORGANIZATIONS FOR PURPOSE OF OBTAINING

TECHNICAL ASSISTANCE FOR HIS MINISTRY. IN OCTOBER, STATE OF CALIFORNIA SENT A FOUR-MAN DELEGATION TO RIYADH HEADED BY R.K. BEST, DEPUTY DIRECTOR OF CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS), FOR EXPLORATORY DISCUSSIONS ON

WAYS IN WHICH SAUDI ARABIA COULD BENEFIT FROM SERVICES OF PERSONNEL WHO WOULD OTHERWISE BE RELEASED BY CALTRANS BECAUSE OF FORCE REDUCTION. VISIT ENDED WITH PREPARATION OF A CONCEPTUAL AGREEMENT SIGNED BY MR. BEST FOR CALTRANS AND HISHAM NAZIR AS ACTING MINISTER OF COMMUNICATIONS. UNDER AGREEMENT, CALTRANS WOULD PROVIDE NUCLEUS OF 40 TO 60 ENGINEERS AND TECHNICIANS TO ESTABLISH CAPABILITIES IN MINISTRY FOR: (A) TRAFFIC ENGINEERS; (B) HIGHWAY/BRIDGE MAINTENANCE; (C) HIGHWAY/BRIDGE DESIGN; (D) PHOTOGRAMMETRY; (E) RESEARCH AND (F) PLANNING, PROGRAMMING AND BUDGETING. CALTRANS WOULD ALSO ASSIGN ABOUT 140 HIGHWAY PERSONNEL FOR TRAINING AND SUPERVISING SAUDIS SENT TO CALIFORNIA FOR ON-THE-JOB TRAINING WITH CALTRANS. IN ADDITION CALTRANS AGREED IN PRINCIPLE TO CONSIDER A THREE PHASE DAMMAN-RIYADH-JIDDA FREEWAY (PHASE I - FEASIBILITY STUDY; PHASE II - DESIGN; PHASE III - CONTRACT SUPERVISION).

3. IN RETURN, SAG WOULD REIMBURSE CALTRANS ON BASIS OF PRESENT SALARIES OF PERSONNEL INVOLVED PLUS TRAVEL, HOUSING, ETC., FOR THOSE ASSIGNED IN SAUDI ARABIA, WITH CEILING PER PERSON NOT TO EXCEED DOLS 6,700 PER MONTH. EMPLOYEES WOULD RETAIN STATE SENIORITY AND RETIREMENT RIGHTS. SAG WOULD ALSO COMPENSATE CALTRANS FOR PHASE I FEASIBILITY STUDY (UP TO DOLS , MILLION), PHASE II DESIGN (UP TO DOLS 22 MILLION), AND PHASE III (ON A MAN-MONTH BASIS).

4. SINCE STATE OF CALIFORNIA WOULD SOON BE LAYING OFF OVER 2000 CALTRANS EMPLOYEES, GOVERNORS' OFFICE IS INTERESTED IN FINDING EMPLOYMENT FOR AS MANY AS POSSIBLE. PROPOSAL, HOWEVER, HAS RUN INTO SNAG INVOLVING PUBLICITY IN US PRESS. UPI STORY APPEARED IN SACRAMENTO ON NOV 15 WITH HEADLINE "JEWS, BLACKS, AND WOMEN OUT OF JOB PLAN". WHILE CALTRANS OFFICIALS HAVE TOLD DEPT THAT SAUDIS DID CONFIDENTIAL

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NOT ACTUALLY RAISE QUESTION OF DISCRIMINATION OR SET DISCRIMINATORY RECRUITMENT CONDITIONS, GOVERNOR BROWN DECIDED TO ISSUE A PUBLIC STATEMENT ON NOV 17 AS FOLLOWS: "I HAVE INSTRUCTED THE DIRECTOR OF THE DEPARTMENT OF TRANSPORTATION TO CEASE ANY FURTHER NEGOTIATIONS WITH SAUDI ARABIA UNLESS AFFIRMATIVE ASSURANCE IS PROVIDED THAT NO STATE EMPLOYEE WILL BE SUBJECT TO DISCRIMINATION ON THE BASIS OF RACE, SEX, RELIGION OR NATIONAL ORIGIN.

IN ORDER THAT SUCH POLICY IS FULLY EFFECTUATED, THE DEPT OF TRANSPORTATION WILL BE THE FINAL JUDGE OF EMPLOYEE QUALIFICATION."

5. ON NOV 19 THE GOVERNOR'S OFFICE CONTACTED ACTING

ASSISTANT SECRETARY SOBER TO INFORM DEPT AND TO SOLICIT WHATEVER ASSISTANCE DEPT COULD PROVIDE. DEPT WAS INFORMED THAT CALTRANS CONTEMPLATED SENDING MESSAGE TO DR. SALLOUM WHICH WOULD SEEK SAG CONFIRMATION THAT SELECTION OF CALTRANS EMPLOYEES WOULD BE ONLY ON BASIS OF PROFESSIONAL QUALIFICATIONS AS MEASURED BY CALIFORNIA STATE PERSONNEL SYSTEM WITHOUT REGARD TO RACE, SEX, RELIGION OR NATIONAL ORIGIN; REJECTION OF ANY EMPLOYEE WOULD BE LIMITED ONLY TO THOSE WHOSE PERFORMANCE WAS OBSERVED TO BE UNSATISFACTORY. SOBER NOTED LIKELY PROBLEM FOR SAG IN GIVING OFFICIAL ASSURANCES WHICH WOULD BECOME PUBLIC BUT AGREED DEPT COULD EXPLORE POSSIBILITIES INFORMALLY IN RESPONSE TO THIS REQUEST FROM GOV. BROWN'S OFFICE.

6. ANOTHER, POSSIBLY SERIOUS, PROBLEM UNRELATED TO BOYCOTT OR DISCRIMINATION HAS COME UP REGARDING AGREEMENTS ENTERED INTO BY STATES OR THEIR AGENCIES WITH FOREIGN GOVERNMENTS. US CONSTITUTION, ART. 1, SEC 10, CLAUSES 1 AND 3, SAYS "NO STATE SHALL ENTER INTO ANY TREATY, ALLIANCE, OR CONFEDERATION," AND "NO STATE SHALL, WITHOUT THE CONSENT OF CONGRESS,... ENTER INTO ANY AGREEMENT OR COMPACT WITH ANOTHER STATE, OR WITH A FOREIGN POWER..." THESE ARE OBSCURE PROVISIONS WHOSE EFFECT ON AGREEMENTS LIKE CALTRANS WITH THE SAUDIS NEED CLARIFICATION. GOVERNOR BROWN'S LEGAL ADVISER, INFORMED OF THIS DIFFICULTY, CONFIDENTIAL

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IS GOING TO ASK JUSTICE DEPT FOR AN OPINION. CALTRANS HAS ALSO BEEN IN CONTACT WITH FEDERAL HIGHWAY ADMINISTRATION FOR POSSIBLE ASSISTANCE SHOULD IT PROVE DESIRABLE THAT THERE SHOULD BE INTERFACE WITH FEDERAL GOVERNMENT AGENCY.

7. FOREGOING BEING SENT ONLY FOR YOUR INFORMATION AT THIS TIME, ALTHOUGH WE WOULD WELCOME EMBASSY VIEWS ON POSSIBLE APPROACHES TO SAUDIS FOR SOME ARRANGEMENT THAT MIGHT MEET STATE OF CALIFORNIA'S AND SAG REQUIREMENTS. SINCE REFTEL WAS SENT PRIOR TO OUR KNOWLEDGE OF CALTRANS PROPOSAL AND SINCE STATE OF CALIFORNIA HAS ALSO SPOKEN TO FEDERAL HIGHWAY ADMINISTRATION CONCERNING POSSIBLE FEDERAL UMBRELLA FOR CALTRANS PROJECT, WE BELIEVE IT IS IMPORTANT THAT MR. LAMM SEE APPROPRIATE SAUDI OFFICIALS, ESPECIALLY DEPMIN NASIR SALLOUM. WE HAVE TOLD FHWA TO

PROCEED ON ASSUMPTION THAT RIYADH ARRANGEMENTS REQUESTED  
REFTEL CAN BE MADE BY EMBASSY UNLESS WE RECEIVE NEGATIVE  
REPLY BY OPENING OF BUSINESS TUESDAY, NOVEMBER 25.  
KISSINGER

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
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**Disposition Date:** 28 MAY 2004  
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**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 AUG 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 AUG 2003 by KelleyW0>; APPROVED <29 DEC 2003 by woolflhd>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SAUDI EMPLOYMENT OF CALIFORNIA STATE HIGHWAY PERSONNEL  
**TAGS:** BGEN, ELTN, SA, US  
**To:** JIDDA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006